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1. From time to time in the past top officials and overseas representatives of the Agency have been confronted with the problem of what to do about gifts in the form of remembrances and tokens of appreciation presented to them by foreign governmental officials. The circumstances in some cases have been such that it would probably create misunderstandings and would give offense to the foreign officials making the gifts if they were to be rejected at the time of presentation -- and even more so if returned to the donors at a subsequent date. This is particularly the case where the foreign governmental officials are representatives of countries where the exchange of gifts between the officials of foreign governments, and even within governments, is regarded as customary and unexceptionable. In certain instances arising in the past the foreign governmental officials almost appear to have arranged the timing and circumstances of presentation in the light of their knowledge or suspicion that if given an opportunity to decline the gift gracefully the recipients would probably do so. One such technique has been to send the gift on for local delivery by the Embassy of the donor government. Another has been to time the delivery of the gift to the moment of the individual donee's departure and then to effect delivery by a subordinate. And there have been others, all of the kind to place the donee individually "on the spot", and also -- in view of the possibility of giving offense to the foreign official concerned -- raising a kind of problem for the Agency.

2. In cases where the intrinsic value of the gift is small, viz., in the range of \$25.00 more or less, I suppose the matter could simply be overlooked. However, where the value is considerably more than this, and, say, running to more than \$100.00, there are obvious possibilities of future embarrassment to the donee and to the Agency and also a question of principle is involved. If there are any governmental statutes or regulations applicable to this problem it would be helpful to know what they are, since in all probability they would be just as applicable to the officials and representatives of this Agency as to any other governmental department or agency. Even in the absence of any statutes or regulations which are sufficiently clear to provide satisfactory guidance, it seems to me desirable that we develop and promulgate a regulation of our own for the protection of both the Agency and the individuals who may become involved.

3. Here are a few random ideas of my own as to what an Agency regulation on the subject might contain:

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As a general rule officials and representatives of the Agency should decline gifts and remembrances of any substantial intrinsic value, whether they be offered by foreign governmental officials or private citizens. Officials and representatives of the Agency should, where circumstances permit, decline such gifts on the ground that it is contrary to US policy for them to accept. However, in cases where the circumstances and timing of the presentation are such as to render it apparent to the donee that an attempt to decline a gift, or to return it once delivered or received, would be such as to create embarrassment and become the cause of misunderstanding, the official or representative concerned may accept the gift subject to the following conditions and procedure:

- a. He shall make a prompt report of the receipt of the gift to the appropriate Agency official (to be designated by the Director).
- b. If the gift is determined to have substantial intrinsic value, it shall be turned over to the Agency by the individual donee and thereafter held as Agency property.
- c. Within the discretion of the appropriate Agency official (to be designated by the Director) the donee individual may from time to time have the custody of the gift upon the clear understanding that he holds it as trustee for the Agency and may be required to return it at any time by the Agency -- and in the event of his unwillingness or inability to produce the article upon demand, he shall be liable to the Agency for its fair value.
- d. Within the discretion of the official (to be designated by the Director) the individual donee may be afforded the opportunity to purchase the gift from the Agency for a price to be determined by an independent appraiser selected by the Agency as having competence to judge the value of articles of the kind concerned.